



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

December 21, 2006

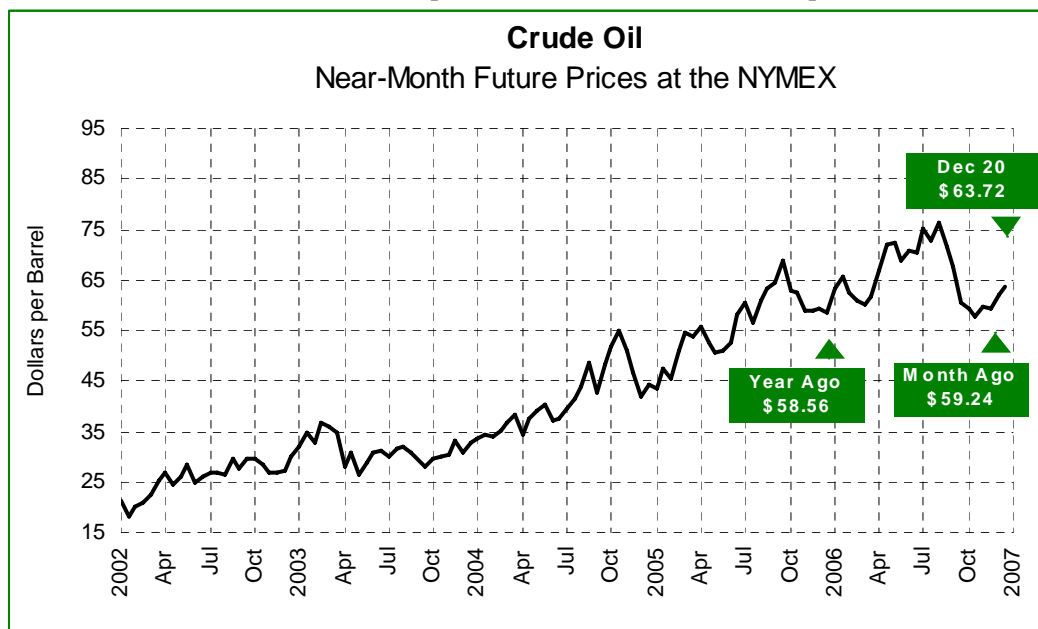
Crude Oil

On December 20, NYMEX oil futures for February delivery settled \$0.26 higher at \$63.72 per barrel, a 3-month high after the USDOE reported falling inventories and imports.

Crude Oil - Near Month Future Prices (dollars per barrel)

	<u>12-20-06</u>	<u>11-22-06</u>	<u>change</u>	<u>12-21-05</u>	<u>change</u>
NYMEX	\$63.72	\$59.24	up 8%	\$58.56	up 9%

- Crude oil prices gained \$0.26 per barrel on Wednesday, December 20 to settle at \$63.72, a 3-month high following the weekly U.S. Department of Energy's (USDOE) weekly storage report that showed a decline in U.S. supplies of crude and lower crude oil imports.
- The decline in crude oil inventories may be partly caused by delays unloading tankers in the Houston area. The Houston Ship Channel was shutdown for several days last week and this week because of fog. Imports in PADD 3, which includes states along the Gulf of Mexico coast, tumbled 12 percent to 4.8 million barrels per day (BPD) last week. As of the week ending December 15, U.S. crude stockpiles were still above the 5-year average for this time of year.
- OPEC ministers agreed to an additional 500,000 BPD production cut when they met in Nigeria on December 14th. On October 19, OPEC agreed to curb oil output by 1.2 million barrels per day (MMBD) for a combined reduction of 6 percent from their 28.9 MMBD production level.



- Crude imports fell 7.3 percent to 8.9 million barrels, the lowest level since October 7, 2005. OPEC's 11 members produced 28.85 million BPD of crude oil a day in November, down 593,100 BPD from the previous month, the group said in a monthly report on December 18th. That's about half of the reduction of 1.2 million barrels a day that they agreed upon at OPEC's October meeting in Qatar.
- For the week, U.S. refineries improved operations by 1.5 percent to 90.7 percent of total production capacity in response to strong petroleum demand. U.S. refineries increased gasoline output by 58,000 barrels per day and distillate output by 185,000 per day. Refinery inputs are 277,000 barrels higher from the prior week at 15.77 million barrels of crude oil per day. At this level, refinery inputs are about 0.7 million barrels per day higher when compared to the same period last year.
- U.S. crude oil supplies decreased 6.3 million barrels to 329.1 million barrels for the week ending December 15, according to the USDOE. U.S. crude production remained unchanged at 5.4 MMBD compared to last year's production at 4.9 MMBD. Crude imports decreased by 0.7 MMBD last week to 8.9 MMBD. At this time last year, crude imports were 9.9 MMBD.

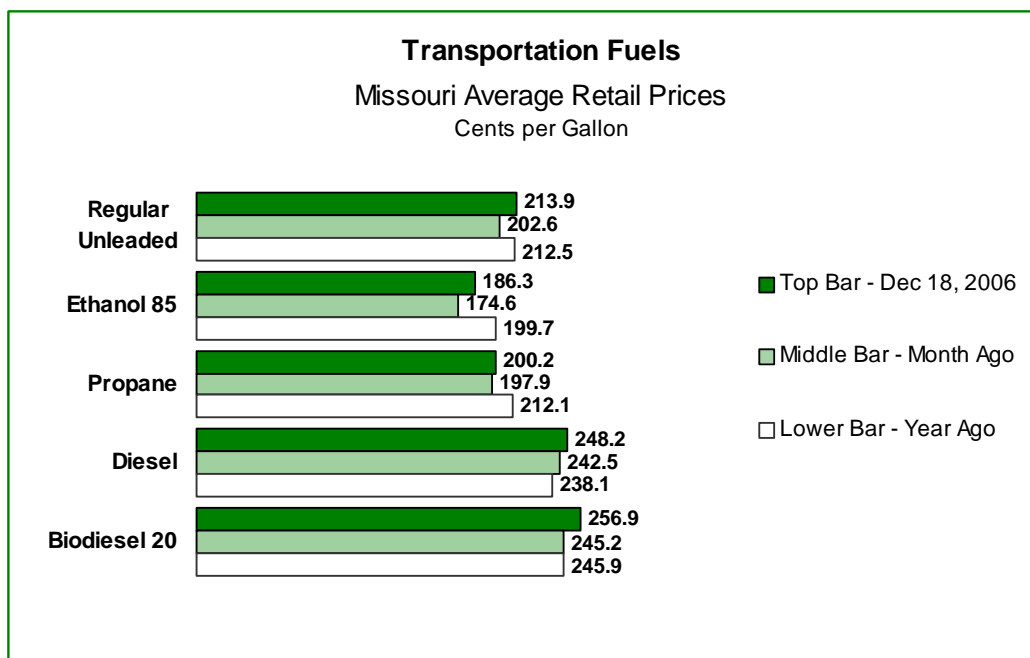
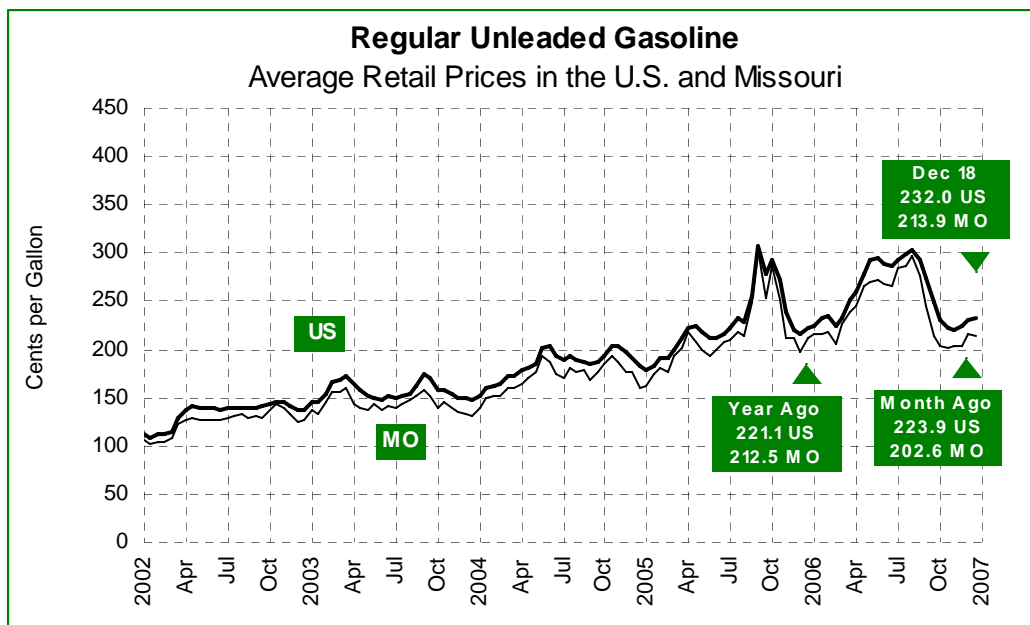
Transportation Fuels

On December 18, Missouri's average retail price for regular unleaded gasoline was \$2.14 per gallon, \$0.11 or 6 percent higher than the average retail price a month ago.

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>12-18-06</u>	<u>11-20-06</u>	<u>change</u>	<u>12-19-05</u>	<u>change</u>
US	232.0	223.9	up 4%	221.1	up 5%
Missouri	213.9	202.6	up 6%	212.5	up 1%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>12-18-06</u>	<u>11-20-06</u>	<u>change</u>	<u>12-19-05</u>	<u>change</u>
US	260.6	255.3	up 2%	246.2	up 6%
Missouri	248.2	242.5	up 2%	238.1	up 4%

- On December 18, Missouri's statewide average gasoline and diesel fuel prices were higher compared to last month. Compared to this time last year, Missouri gasoline prices are 1.4 cents higher while diesel fuel prices are 10.1 cents higher than December 2005. Missouri's average gasoline price is 18 cents lower than the U.S. average of \$2.32 per gallon and diesel prices are about 12 cents lower than the U.S. average of \$2.61 per gallon.
- On December 18, Missouri's average retail price for E85 (regular gasoline containing 85 percent ethanol) was \$1.86 compared to \$1.75 per gallon at this time last month. At \$1.86 per gallon, E85 is 30 cents or 13 percent lower than the average price of regular unleaded gasoline in Missouri. (Note: One volumetric gallon of E85 represents 73 percent of the energy content of gasoline.)
- U.S. distillate stocks improved by 1.2 million barrels (MMB) last week. U.S. diesel supplies now stand at 133.1 MMB and are up by 5.4 MMB from last year.
- U.S. ultra-low-sulfur diesel (ULSD) output increased by over 46,000 BPD last week. Refiners are making about 2.6 MMBD of ULSD and supplies have improved by 0.3 MMB nationally. Imports improved last week to 241,000 barrels per day of ULSD compared to 166,000 barrels per day for the prior week.



Motor Gasoline - Total Stocks (millions of barrels)					
	12-15-06	11-17-06	change	12-16-05	change
US	200.9	201.7	down 1%	204.1	down 2%

- U.S. gasoline supplies improved 1 million barrels from a week ago to 200.9 MMB, pushing domestic inventories 3.2 MMB lower than last year's level at this time. National reserves of gasoline continue below the 5-year average for this time of year.
- Implied demand for gasoline increased 97,000 barrels last week to 9.5 MMBD, the highest level since October. At this time last year, gasoline demand was about 9.39 MMBD.

Regular Unleaded Gasoline Average Retail Prices in the U.S., Midwest, Missouri and Missouri Regions

Dec 18, 2006 Fuel Data in Cents per Gallon

U.S.	232.0
Midwest	227.1
Missouri	213.9
Central, Mo.	217.6
Kansas City, Mo.	213.1
Northeast, Mo.	216.7
Northwest, Mo.	213.7
St. Louis, Mo.	216.4
Southeast, Mo.	212.4
Southwest, Mo.	209.8

Natural Gas

Approximately 57 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

On December 20, natural gas futures closed at \$6.77 per MMBtu, a decrease of \$0.95 or 12 percent from the month-ago settlement price.

Natural Gas - Near Month Future Prices (dollars per mmbtu)

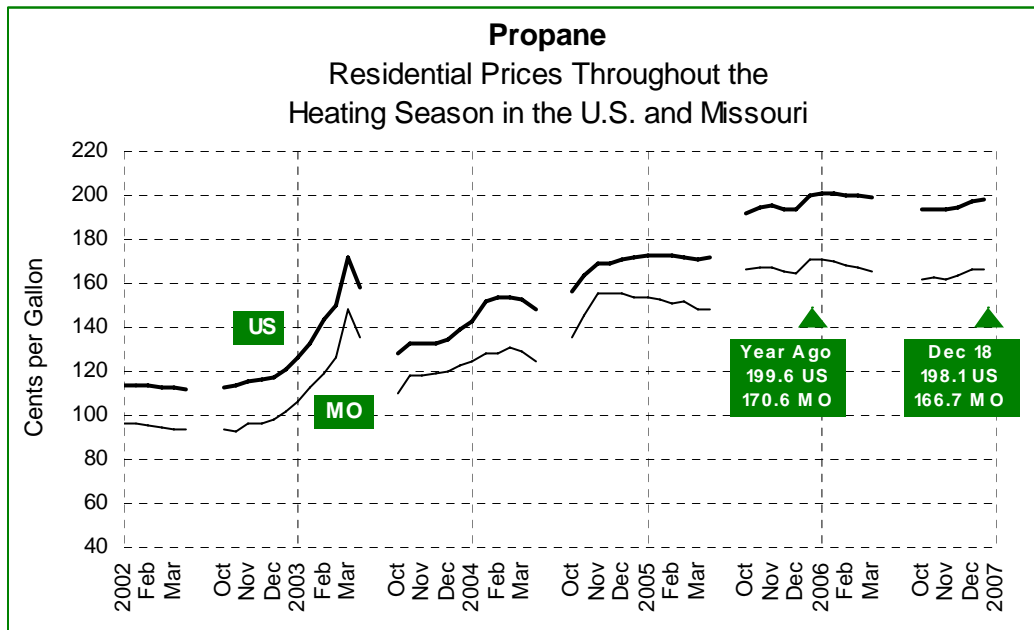
	<u>12-20-06</u>	<u>11-22-06</u>	<u>change</u>	<u>12-21-05</u>	<u>change</u>
NYMEX	\$6.77	\$7.72	down 12%	\$14.27	down 53%

- The NYMEX futures contract for February delivery settled at \$6.77 per MMBtu on December 20, falling \$0.95 in the past month. Forecasts for milder temperatures through the end of December are helping lower natural gas prices.
- Working gas in storage as of December 15 totaled 3,167 Bcf, which is 9.5 percent above the 5-year average inventory level for the week according to EIA's *Weekly Natural Gas Storage Report*. Supplies were 342 Bcf higher than last year at this time and 274 Bcf above the 5-year average of 2,893 Bcf.

Propane

Approximately 13 percent (293,803) of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

On December 18, Missouri's average residential price for propane was \$1.67 per gallon, unchanged from last month and a decrease of \$0.04 per gallon from this time last year.



<i>Propane Fuel - Stocks (millions of barrels)</i>					
	<u>Dec 15</u>	<u>month ago</u>	<u>change</u>	<u>year ago</u>	<u>change</u>
US	64.0	70.9	down 10%	64.9	down 1%

- According to the Missouri Energy Center's bi-monthly winter heating season propane survey, the average retail price for residential propane was \$1.67 per gallon on December 18, the same as last month and \$0.04 lower than the \$1.71 per gallon price at this time last year.
- U.S. propane supplies fell by 2.8 million barrels last week and stand at 64 million barrels as of December 15 or 0.9 MMB lower than at this time last year. Midwest inventories decreased by 1 MMB to 23.2 MMB last week compared to 20.4 MMB at this time last year.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers. For more information, contact: MO Dept. of Natural Resources, Energy Center, P.O. Box 176, Jefferson City, MO 65102-0176; Phone: (573) 751-3443 or (800) 361-4827; Fax: (573) 751-6860; E-mail: energy@dnr.mo.gov; Web Address: www.dnr.mo.gov/energy/transportation/fb.htm